

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing  
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5  
8 may be cited as the Property Tax Extension Limitation Law.  
9 As used in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for  
11 All Urban Consumers for all items published by the United  
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the  
14 percentage increase in the Consumer Price Index during the  
15 12-month calendar year preceding the levy year or (b) the  
16 rate of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more  
18 inhabitants or a county contiguous to a county of 3,000,000  
19 or more inhabitants.

20 "Taxing district" has the same meaning provided in  
21 Section 1-150, except as otherwise provided in this Section.  
22 For the 1991 through 1994 levy years only, "taxing district"  
23 includes only each non-home rule taxing district having the  
24 majority of its 1990 equalized assessed value within any  
25 county or counties contiguous to a county with 3,000,000 or  
26 more inhabitants. Beginning with the 1995 levy year, "taxing  
27 district" includes only each non-home rule taxing district  
28 subject to this Law before the 1995 levy year and each  
29 non-home rule taxing district not subject to this Law before  
30 the 1995 levy year having the majority of its 1994 equalized  
31 assessed value in an affected county or counties. Beginning

1 with the levy year in which this Law becomes applicable to a  
2 taxing district as provided in Section 18-213, "taxing  
3 district" also includes those taxing districts made subject  
4 to this Law as provided in Section 18-213.

5 "Aggregate extension" for taxing districts to which this  
6 Law applied before the 1995 levy year means the annual  
7 corporate extension for the taxing district and those special  
8 purpose extensions that are made annually for the taxing  
9 district, excluding special purpose extensions: (a) made for  
10 the taxing district to pay interest or principal on general  
11 obligation bonds that were approved by referendum; (b) made  
12 for any taxing district to pay interest or principal on  
13 general obligation bonds issued before October 1, 1991; (c)  
14 made for any taxing district to pay interest or principal on  
15 bonds issued to refund or continue to refund those bonds  
16 issued before October 1, 1991; (d) made for any taxing  
17 district to pay interest or principal on bonds issued to  
18 refund or continue to refund bonds issued after October 1,  
19 1991 that were approved by referendum; (e) made for any  
20 taxing district to pay interest or principal on revenue bonds  
21 issued before October 1, 1991 for payment of which a property  
22 tax levy or the full faith and credit of the unit of local  
23 government is pledged; however, a tax for the payment of  
24 interest or principal on those bonds shall be made only after  
25 the governing body of the unit of local government finds that  
26 all other sources for payment are insufficient to make those  
27 payments; (f) made for payments under a building commission  
28 lease when the lease payments are for the retirement of bonds  
29 issued by the commission before October 1, 1991, to pay for  
30 the building project; (g) made for payments due under  
31 installment contracts entered into before October 1, 1991;  
32 (h) made for payments of principal and interest on bonds  
33 issued under the Metropolitan Water Reclamation District Act  
34 to finance construction projects initiated before October 1,

1 1991; (i) made for payments of principal and interest on  
2 limited bonds, as defined in Section 3 of the Local  
3 Government Debt Reform Act, in an amount not to exceed the  
4 debt service extension base less the amount in items (b),  
5 (c), (e), and (h) of this definition for non-referendum  
6 obligations, except obligations initially issued pursuant to  
7 referendum; (j) made for payments of principal and interest  
8 on bonds issued under Section 15 of the Local Government Debt  
9 Reform Act; and (k) made by a school district that  
10 participates in the Special Education District of Lake  
11 County, created by special education joint agreement under  
12 Section 10-22.31 of the School Code, for payment of the  
13 school district's share of the amounts required to be  
14 contributed by the Special Education District of Lake County  
15 to the Illinois Municipal Retirement Fund under Article 7 of  
16 the Illinois Pension Code; the amount of any extension under  
17 this item (k) shall be certified by the school district to  
18 the county clerk; and (l) made to fund expenses of providing  
19 joint recreational programs for the handicapped under Section  
20 5-8 of the Park District Code or Section 11-95-14 of the  
21 Illinois Municipal Code.

22 "Aggregate extension" for the taxing districts to which  
23 this Law did not apply before the 1995 levy year (except  
24 taxing districts subject to this Law in accordance with  
25 Section 18-213) means the annual corporate extension for the  
26 taxing district and those special purpose extensions that are  
27 made annually for the taxing district, excluding special  
28 purpose extensions: (a) made for the taxing district to pay  
29 interest or principal on general obligation bonds that were  
30 approved by referendum; (b) made for any taxing district to  
31 pay interest or principal on general obligation bonds issued  
32 before March 1, 1995; (c) made for any taxing district to pay  
33 interest or principal on bonds issued to refund or continue  
34 to refund those bonds issued before March 1, 1995; (d) made

1 for any taxing district to pay interest or principal on bonds  
2 issued to refund or continue to refund bonds issued after  
3 March 1, 1995 that were approved by referendum; (e) made for  
4 any taxing district to pay interest or principal on revenue  
5 bonds issued before March 1, 1995 for payment of which a  
6 property tax levy or the full faith and credit of the unit of  
7 local government is pledged; however, a tax for the payment  
8 of interest or principal on those bonds shall be made only  
9 after the governing body of the unit of local government  
10 finds that all other sources for payment are insufficient to  
11 make those payments; (f) made for payments under a building  
12 commission lease when the lease payments are for the  
13 retirement of bonds issued by the commission before March 1,  
14 1995 to pay for the building project; (g) made for payments  
15 due under installment contracts entered into before March 1,  
16 1995; (h) made for payments of principal and interest on  
17 bonds issued under the Metropolitan Water Reclamation  
18 District Act to finance construction projects initiated  
19 before October 1, 1991; (i) made for payments of principal  
20 and interest on limited bonds, as defined in Section 3 of the  
21 Local Government Debt Reform Act, in an amount not to exceed  
22 the debt service extension base less the amount in items (b),  
23 (c), and (e) of this definition for non-referendum  
24 obligations, except obligations initially issued pursuant to  
25 referendum and bonds described in subsection (h) of this  
26 definition; (j) made for payments of principal and interest  
27 on bonds issued under Section 15 of the Local Government Debt  
28 Reform Act; (k) made for payments of principal and interest  
29 on bonds authorized by Public Act 88-503 and issued under  
30 Section 20a of the Chicago Park District Act for aquarium or  
31 museum projects; (l) made for payments of principal and  
32 interest on bonds authorized by Public Act 87-1191 and issued  
33 under Section 42 of the Cook County Forest Preserve District  
34 Act for zoological park projects; and (m) made pursuant to

1 Section 34-53.5 of the School Code, whether levied annually  
2 or not; and (n) made to fund expenses of providing joint  
3 recreational programs for the handicapped under Section 5-8  
4 of the Park District Code or Section 11-95-14 of the Illinois  
5 Municipal Code.

6 "Aggregate extension" for all taxing districts to which  
7 this Law applies in accordance with Section 18-213, except  
8 for those taxing districts subject to paragraph (2) of  
9 subsection (e) of Section 18-213, means the annual corporate  
10 extension for the taxing district and those special purpose  
11 extensions that are made annually for the taxing district,  
12 excluding special purpose extensions: (a) made for the taxing  
13 district to pay interest or principal on general obligation  
14 bonds that were approved by referendum; (b) made for any  
15 taxing district to pay interest or principal on general  
16 obligation bonds issued before the date on which the  
17 referendum making this Law applicable to the taxing district  
18 is held; (c) made for any taxing district to pay interest or  
19 principal on bonds issued to refund or continue to refund  
20 those bonds issued before the date on which the referendum  
21 making this Law applicable to the taxing district is held;  
22 (d) made for any taxing district to pay interest or principal  
23 on bonds issued to refund or continue to refund bonds issued  
24 after the date on which the referendum making this Law  
25 applicable to the taxing district is held if the bonds were  
26 approved by referendum after the date on which the referendum  
27 making this Law applicable to the taxing district is held;  
28 (e) made for any taxing district to pay interest or principal  
29 on revenue bonds issued before the date on which the  
30 referendum making this Law applicable to the taxing district  
31 is held for payment of which a property tax levy or the full  
32 faith and credit of the unit of local government is pledged;  
33 however, a tax for the payment of interest or principal on  
34 those bonds shall be made only after the governing body of

1 the unit of local government finds that all other sources for  
2 payment are insufficient to make those payments; (f) made for  
3 payments under a building commission lease when the lease  
4 payments are for the retirement of bonds issued by the  
5 commission before the date on which the referendum making  
6 this Law applicable to the taxing district is held to pay for  
7 the building project; (g) made for payments due under  
8 installment contracts entered into before the date on which  
9 the referendum making this Law applicable to the taxing  
10 district is held; (h) made for payments of principal and  
11 interest on limited bonds, as defined in Section 3 of the  
12 Local Government Debt Reform Act, in an amount not to exceed  
13 the debt service extension base less the amount in items (b),  
14 (c), and (e) of this definition for non-referendum  
15 obligations, except obligations initially issued pursuant to  
16 referendum; (i) made for payments of principal and interest  
17 on bonds issued under Section 15 of the Local Government Debt  
18 Reform Act; and (j) made for a qualified airport authority to  
19 pay interest or principal on general obligation bonds issued  
20 for the purpose of paying obligations due under, or financing  
21 airport facilities required to be acquired, constructed,  
22 installed or equipped pursuant to, contracts entered into  
23 before March 1, 1996 (but not including any amendments to  
24 such a contract taking effect on or after that date); and (k)  
25 made to fund expenses of providing joint recreational  
26 programs for the handicapped under Section 5-8 of the Park  
27 District Code or Section 11-95-14 of the Illinois Municipal  
28 Code.

29 "Aggregate extension" for all taxing districts to which  
30 this Law applies in accordance with paragraph (2) of  
31 subsection (e) of Section 18-213 means the annual corporate  
32 extension for the taxing district and those special purpose  
33 extensions that are made annually for the taxing district,  
34 excluding special purpose extensions: (a) made for the taxing

1 district to pay interest or principal on general obligation  
2 bonds that were approved by referendum; (b) made for any  
3 taxing district to pay interest or principal on general  
4 obligation bonds issued before the effective date of this  
5 amendatory Act of 1997; (c) made for any taxing district to  
6 pay interest or principal on bonds issued to refund or  
7 continue to refund those bonds issued before the effective  
8 date of this amendatory Act of 1997; (d) made for any taxing  
9 district to pay interest or principal on bonds issued to  
10 refund or continue to refund bonds issued after the effective  
11 date of this amendatory Act of 1997 if the bonds were  
12 approved by referendum after the effective date of this  
13 amendatory Act of 1997; (e) made for any taxing district to  
14 pay interest or principal on revenue bonds issued before the  
15 effective date of this amendatory Act of 1997 for payment of  
16 which a property tax levy or the full faith and credit of the  
17 unit of local government is pledged; however, a tax for the  
18 payment of interest or principal on those bonds shall be made  
19 only after the governing body of the unit of local government  
20 finds that all other sources for payment are insufficient to  
21 make those payments; (f) made for payments under a building  
22 commission lease when the lease payments are for the  
23 retirement of bonds issued by the commission before the  
24 effective date of this amendatory Act of 1997 to pay for the  
25 building project; (g) made for payments due under installment  
26 contracts entered into before the effective date of this  
27 amendatory Act of 1997; (h) made for payments of principal  
28 and interest on limited bonds, as defined in Section 3 of the  
29 Local Government Debt Reform Act, in an amount not to exceed  
30 the debt service extension base less the amount in items (b),  
31 (c), and (e) of this definition for non-referendum  
32 obligations, except obligations initially issued pursuant to  
33 referendum; (i) made for payments of principal and interest  
34 on bonds issued under Section 15 of the Local Government Debt

1 Reform Act; and (j) made for a qualified airport authority to  
2 pay interest or principal on general obligation bonds issued  
3 for the purpose of paying obligations due under, or financing  
4 airport facilities required to be acquired, constructed,  
5 installed or equipped pursuant to, contracts entered into  
6 before March 1, 1996 (but not including any amendments to  
7 such a contract taking effect on or after that date); and (k)  
8 made to fund expenses of providing joint recreational  
9 programs for the handicapped under Section 5-8 of the Park  
10 District Code or Section 11-95-14 of the Illinois Municipal  
11 Code.

12 "Debt service extension base" means an amount equal to  
13 that portion of the extension for a taxing district for the  
14 1994 levy year, or for those taxing districts subject to this  
15 Law in accordance with Section 18-213, except for those  
16 subject to paragraph (2) of subsection (e) of Section 18-213,  
17 for the levy year in which the referendum making this Law  
18 applicable to the taxing district is held, or for those  
19 taxing districts subject to this Law in accordance with  
20 paragraph (2) of subsection (e) of Section 18-213 for the  
21 1996 levy year, constituting an extension for payment of  
22 principal and interest on bonds issued by the taxing district  
23 without referendum, but not including (i) bonds authorized by  
24 Public Act 88-503 and issued under Section 20a of the Chicago  
25 Park District Act for aquarium and museum projects; (ii)  
26 bonds issued under Section 15 of the Local Government Debt  
27 Reform Act; or (iii) refunding obligations issued to refund  
28 or to continue to refund obligations initially issued  
29 pursuant to referendum. The debt service extension base may  
30 be established or increased as provided under Section 18-212.

31 "Special purpose extensions" include, but are not limited  
32 to, extensions for levies made on an annual basis for  
33 unemployment and workers' compensation, self-insurance,  
34 contributions to pension plans, and extensions made pursuant

1 to Section 6-601 of the Illinois Highway Code for a road  
2 district's permanent road fund whether levied annually or  
3 not. The extension for a special service area is not  
4 included in the aggregate extension.

5 "Aggregate extension base" means the taxing district's  
6 last preceding aggregate extension as adjusted under Sections  
7 18-215 through 18-230.

8 "Levy year" has the same meaning as "year" under Section  
9 1-155.

10 "New property" means (i) the assessed value, after final  
11 board of review or board of appeals action, of new  
12 improvements or additions to existing improvements on any  
13 parcel of real property that increase the assessed value of  
14 that real property during the levy year multiplied by the  
15 equalization factor issued by the Department under Section  
16 17-30 and (ii) the assessed value, after final board of  
17 review or board of appeals action, of real property not  
18 exempt from real estate taxation, which real property was  
19 exempt from real estate taxation for any portion of the  
20 immediately preceding levy year, multiplied by the  
21 equalization factor issued by the Department under Section  
22 17-30. In addition, the county clerk in a county containing a  
23 population of 3,000,000 or more shall include in the 1997  
24 recovered tax increment value for any school district, any  
25 recovered tax increment value that was applicable to the 1995  
26 tax year calculations.

27 "Qualified airport authority" means an airport authority  
28 organized under the Airport Authorities Act and located in a  
29 county bordering on the State of Wisconsin and having a  
30 population in excess of 200,000 and not greater than 500,000.

31 "Recovered tax increment value" means, except as  
32 otherwise provided in this paragraph, the amount of the  
33 current year's equalized assessed value, in the first year  
34 after a municipality terminates the designation of an area as

1 a redevelopment project area previously established under the  
2 Tax Increment Allocation Development Act in the Illinois  
3 Municipal Code, previously established under the Industrial  
4 Jobs Recovery Law in the Illinois Municipal Code, or  
5 previously established under the Economic Development Area  
6 Tax Increment Allocation Act, of each taxable lot, block,  
7 tract, or parcel of real property in the redevelopment  
8 project area over and above the initial equalized assessed  
9 value of each property in the redevelopment project area. For  
10 the taxes which are extended for the 1997 levy year, the  
11 recovered tax increment value for a non-home rule taxing  
12 district that first became subject to this Law for the 1995  
13 levy year because a majority of its 1994 equalized assessed  
14 value was in an affected county or counties shall be  
15 increased if a municipality terminated the designation of an  
16 area in 1993 as a redevelopment project area previously  
17 established under the Tax Increment Allocation Development  
18 Act in the Illinois Municipal Code, previously established  
19 under the Industrial Jobs Recovery Law in the Illinois  
20 Municipal Code, or previously established under the Economic  
21 Development Area Tax Increment Allocation Act, by an amount  
22 equal to the 1994 equalized assessed value of each taxable  
23 lot, block, tract, or parcel of real property in the  
24 redevelopment project area over and above the initial  
25 equalized assessed value of each property in the  
26 redevelopment project area. In the first year after a  
27 municipality removes a taxable lot, block, tract, or parcel  
28 of real property from a redevelopment project area  
29 established under the Tax Increment Allocation Development  
30 Act in the Illinois Municipal Code, the Industrial Jobs  
31 Recovery Law in the Illinois Municipal Code, or the Economic  
32 Development Area Tax Increment Allocation Act, "recovered tax  
33 increment value" means the amount of the current year's  
34 equalized assessed value of each taxable lot, block, tract,

1 or parcel of real property removed from the redevelopment  
2 project area over and above the initial equalized assessed  
3 value of that real property before removal from the  
4 redevelopment project area.

5 Except as otherwise provided in this Section, "limiting  
6 rate" means a fraction the numerator of which is the last  
7 preceding aggregate extension base times an amount equal to  
8 one plus the extension limitation defined in this Section and  
9 the denominator of which is the current year's equalized  
10 assessed value of all real property in the territory under  
11 the jurisdiction of the taxing district during the prior levy  
12 year. For those taxing districts that reduced their  
13 aggregate extension for the last preceding levy year, the  
14 highest aggregate extension in any of the last 3 preceding  
15 levy years shall be used for the purpose of computing the  
16 limiting rate. The denominator shall not include new  
17 property. The denominator shall not include the recovered  
18 tax increment value.

19 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
20 92-547, eff. 6-13-02.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.